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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

BROOKLYN OFFICE

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IN RE:
HOLOCAUST VICTIM ASSETS
LITIGATION

Case No. CV 96-4849 (ERK)(MDG)
(Consolidated with CV 96-5161
and CV 97-461)

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MEMORANDUM & ORDER

This Document Relates to: All Cases

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KORMAN, Judge:

In accordance with my Order of December 8, 2000 and consistent with the terms of the Plan of Allocation and Distribution of Settlement Proceeds (the "Distribution Plan"), which I approved on November 22, 2000, my Memorandum & Order dated September 25, 2002, and my Memorandum & Order dated November 17, 2003, the American Jewish Joint Distribution Committee ("JDC") has submitted its report on 2009 Welfare Programs for Jewish Nazi Victims in the Former Soviet Union ("JDC 2009 Report").

On February 8, 2010 I approved funding for Hesed welfare program services for Jewish Nazi victims in the Former Soviet Union ("FSU") in 2010 in accordance with the Distribution Plan as supplemented by my Orders of September 25, 2002 and November 17, 2003, and as described in the JDC letter of February 4, 2010 which requested a budget of \$13,684,615 for 2010. In that letter JDC also requested that the Court initially release half of this amount for the operations of the Hesed programs in 2010, with the balance to be requested by JDC after submission to the Court of a programmatic report and audit of the services provided and Settlement funds spent in 2009. In my Memorandum & Order of February 8, 2010 I approved the release of \$6,732,614 to JDC for Hesed welfare programs for the first half of 2010.

JDC has now submitted the required programmatic report and audit of the services provided and Settlement funds spent in 2009 and has requested the release of the second half of 2010 funds that I previously approved.

In addition, as authorized by the Distribution Plan, the JDC and the Conference on Jewish Material Claims Against Germany ("Claims Conference") seek reimbursement for administrative expenses incurred in connection with the oversight and management of these funds, in the amount of 2% of program fees, to be apportioned accordingly by the JDC between the JDC and the Claims Conference. The JDC advises that this sum totals \$273,692 for the period January 1, 2010 through December 31, 2010. Furthermore, in accordance with the Distribution Plan, the JDC seeks reimbursement of \$72,760 for the cost of the Ernst & Young audit of the JDC's 2009 disbursements in the FSU on behalf of the Looted Assets Class. The Ernst & Young 2009 audit report was filed with the Court as part of the JDC 2009 Report.

Accordingly, it is hereby

ORDERED that the signatories to the Settlement Fund are hereby directed to transfer immediately the sum of \$7,298,453 to the JDC, which the JDC shall use for the following purposes:

- a) \$6,952,001 for Hesed welfare program services for Jewish victims of Nazi persecution in the FSU for the period July 1, 2010 through December 31, 2010, in accordance with the JDC letter of February 4, 2010. Pending the JDC's distribution of funds to the designated Hesed welfare programs in the FSU, the JDC shall deposit the funds in escrow in an interest-bearing account. The principal as well as any interest that may accrue thereon shall be solely for the benefit of the Settlement Fund. Upon the JDC's application, any such accrued interest shall be distributed by the JDC

to the Hesed welfare programs described above or to such other similar programs as the JDC may recommend and the Court may approve;

b) \$273,692 for reimbursement and/or payment of administrative expenses incurred in connection with the oversight and management of the funds spent or to be spent in the FSU during the period January 1, 2010 to December 31, 2010, which shall be apportioned by the JDC between the JDC and the Claims Conference; and

c) \$72,760 for the cost of the Ernst & Young audit described above and filed with the Court.

It is further ordered that in implementing these programs, the JDC shall adhere to the reporting requirements to the Court as set forth in the Distribution Plan and in the JDC's February 28, 2001 "Proposal for the First Year of Operations" and April 4, 2001 supplemental proposal, as approved by order dated April 13, 2001.

Brooklyn, New York
September 14, 2010

SO ORDERED:

s/Edward R. Korman

Edward R. Korman
United States District Judge